GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:333
ANSWERED ON:18.08.2006
FRAUDULENT TRANSFER OF MONEY
Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the CBI has recently conducted searches at several places in various parts of the country in connection with the alleged accounts of exporters as reported in the Statesman dated July 22, 2006 ;

(b) if so, the facts of the matter reported therein;

(c) whether the nexus of customs officials with exporters have put the Government in losses worth crores of rupees ;

(d) if so, the details thereof; and

(e) the steps taken by the Government to check such frauds and to punish the involved officials?

Answer

THE MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P. CHIDAMBARAM)

(a) Yes, Sir.

(b) Intelligence was received in the Exports Commissionerate,Delhi,that certain exporters have received Drawback claims fraudulently by way of electronic transfer of amounts against supplementary claims o f Drawback even though no such claims were filed with Customs. Fraudulent use of passwords to benefit particular exporters was suspected. The case was handed over to the CBI on 31.05.2006 after preliminary verification. After due consultation with the CBI, a formal complaint /FIR was also lodged on 19.07.2006. The CBI has registered one case, vide No.RC-4/2006, EOU-IX against an Assistant Commissioner of Customs, a Superintendent of Customs, one private person and other unknown persons. The CBI conducted searches on 21.07.2006 at various locations of 20 exporters, their agents and a casual worker. The extent of unlawful loss is estimated to be about Rs.8 crores.

(c)and (d) The matter including nexus of Customs officials with exporters is being investigated by the CBI. The preliminary investigation by Customs Air Cargo Commissionerate, New Delhi has estimated the loss to be Rs. 8 crores approximately.

(e) The Central Board of Excise & Customs has directed the Director General of Systems to take measures to ensure the integrity and security of the Systems including improvement of EDI software to avoid such fraudulent transfer of money in future. Ail Chief Commissi-oners/Director Generals have been apprised of the modus operandi and the measures to be taken to guard against such frauds. The officers, whose passwords were used to make illegal transfers, have been ordered to be transferred to non-sensitive charges pending investigations.